

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INFORMATION

-v.- : 16 Cr. ()

WILLIAM DOONAN, :

Defendant. :

: **16 CRIM 732**

- - - - - x

COUNT ONE

(Aiding and Assisting Preparation of False and
Fraudulent U.S. Individual Income Tax Return)

The United States Attorney charges:

Introduction

1. At all times relevant to this Information, WILLIAM DOONAN, the defendant, was a resident of Armonk, New York, and later the Bronx, New York, and was in the business of preparing U.S. Individual Income Tax Returns ("Federal Tax Returns") for individuals (the "Clients") in exchange for fees.

2. WILLIAM DOONAN, the defendant, carried out his tax preparation business principally using the firm name "William Doonan, Esq.," a sole proprietorship entity he owned and controlled and which was located in the Bronx, New York. In addition, DOONAN has been licensed to practice law in the State of New York since in or about 1982.

JUDGE BRODERICK

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3. WILLIAM DOONAN, the defendant, typically prepared and caused to be prepared Federal Tax Returns and related Internal Revenue Service ("IRS") Schedules and Forms on behalf of Clients for submission to the IRS, initially in paper format, and in later years, in electronic format. The electronic returns were submitted using the Electronic Filing Identification Number ("EFIN") assigned by the IRS to William Doonan, Esq. on or about January 27, 2012, and the Preparer Tax Identification Number ("PTIN"), Pxxxx2679, assigned by the IRS to DOONAN on or about October 19, 2011.

4. Between tax years 2009 and 2012, WILLIAM DOONAN, the defendant, prepared and caused to be prepared and filed with the IRS on average over 3,000 Federal Tax Returns each year.

Relevant Provisions of the Internal Revenue Code

5. At all times relevant to this Information:

(a) Pursuant to the Internal Revenue Code and attendant regulations, individual taxpayers generally are required annually to report their income, tax liabilities, and, where appropriate, any claim for a refund on a U. S. Individual Income Tax Return, Form 1040, ("Form 1040"), which must be filed with the IRS, which is part of the United States Department of the Treasury.

(b) A Schedule A ("Itemized Deductions") is an IRS form that is attached to a Form 1040 when applicable and must be used by taxpayers to claim certain permissible deductions from taxable income. Deductions to be claimed on Schedule A include, among other things:

medical and dental expenses, state and local taxes, home mortgage interest, gifts to charity, and job-related and other miscellaneous expenses (such as unreimbursed employee expenses).

(c) A Schedule C ("Sole Proprietorship") is an IRS Form that is attached to a Form 1040 when applicable and must be used by taxpayers to report the gross receipts, expenses, and profit or loss from a business operated by the taxpayer as a sole proprietorship.

The Tax Preparation Fraud

6. WILLIAM DOONAN, the defendant, with the assistance of others, regularly prepared and caused to be prepared and filed with the IRS Federal Tax Returns and accompanying forms and schedules for his Clients that were false and fraudulent in that they included wholly fabricated and inflated items. For example, DOONAN attached Schedules A to Forms 1040 that reported inflated or fictitious deductions by the Clients for, among other things, medical and dental expenses, state and local taxes, home mortgage interest, gifts to charity, job expenses and certain miscellaneous deductions. DOONAN also attached Schedules C to Forms 1040 that reported "Consulting" businesses that the relevant Clients did not own, operate, and materially participate in, and business losses that the relevant Clients did not incur.

7. From in or about tax year 2009 through tax year 2012, WILLIAM DOONAN, the defendant, caused the inclusion of in excess of \$6,000,000 in these aforementioned fabricated and inflated items on his Clients' Federal Tax Returns, which, in turn, resulted in the

fraudulent reduction of the Clients' tax liabilities and/or the receipt by the Clients of tax refunds from the IRS to which they were not entitled.

Statutory Allegations

8. On or about the date set forth below, in the Southern District of New York and elsewhere, WILLIAM DOONAN, the defendant, willfully and knowingly did aid and assist in, and procure, counsel, and advise the preparation and presentation under, and in connection with matters arising under, the internal revenue laws of the United States, of a return, affidavit, claim, and other document, to wit, a U.S. Individual Income Tax Return, Form 1040, and accompanying forms and schedules, for the taxpayer listed below, and for the tax year listed below, which return was false and fraudulent as to material matters, in that, among other things, the return fabricated and/or falsely overstated items such as medical and dental expenses, state and local taxes, home mortgage interest, gifts to charity, job expenses and certain miscellaneous deductions, and Schedule C business income and losses, as set forth below:

Count	Taxpayer	Tax Year	Approx. Filing Date of Return	Nature of Fabricated and/or Inflated Item(s)	Approx. Amount of Fabricated and/or Inflated Item(s)
1	J.C.	2011	April 9, 2012	a) Schedule A, line 1, medical and dental expenses b) Schedule A, line 6, real estate taxes c) Schedule A, line 8, other taxes d) Schedule A, line 10, home mortgage interest e) Schedule A, line 16, gifts to charity by cash or check f) Schedule A, line 17, gifts to charity other than by cash or check g) Schedule A, line 21, unreimbursed employee expenses h) Schedule A, line 23, safe deposit box i) Schedule C, line 31, profit or loss from business	a) \$4,141 b) \$2,474 c) \$194 d) \$598 e) \$1,884 f) \$499 g) \$3,475 h) \$89 i) -\$1,582

(Title 26, United States Code, Section 7206(2).)

COUNT TWO

(Corruptly Endeavoring to Obstruct and Impede the Due Administration
of the Internal Revenue Laws)

The United States Attorney further charges:

9. The allegations in paragraphs 1 through 7 of this Information are repeated and re-alleged as though fully set forth herein.

10. From in or about 2009, up to and including in or about April 2013, in the Southern District of New York and elsewhere, WILLIAM DOONAN, the defendant, did corruptly obstruct and impede, and endeavor to obstruct and impede, the due administration of the internal revenue laws of the United States by knowingly preparing and causing the preparation and filing of Federal Tax Returns for certain Clients of William Doonan, Esq., that included, among other things, wholly fictitious and inflated itemized deductions and business expenses, thereby fraudulently lowering the tax liabilities of these Clients as reported to the IRS.

(Title 26, United States Code, Section 7212(a).)



PREET BHARARA
United States Attorney

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(26 U.S.C. §§ 7206(2), 7212(a))

PREET BHARARA
United States Attorney

11/1/16 - Filed Information
ac Filed Waiver of Jurisdiction
JPK
JUSM